



0xHamZ

@0xHamz

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rattibha.com 

WAVES is the biggest ponzi in crypto

It has recklessly engineered price spikes by borrowing USDC at 35% to buy its own token

Continuous WAVES market cap growth is needed to keep the system stable

WAVES will eventually crash and USDN will break with it

You're on notice 

\$WAVES is a layer 1 blockchain

It's principal use case is minting of USDN --- its native stablecoin

You can compare WAVE to LUNA/MKR while USDN is UST/DAI

For more background read below

The WAVES market cap has 6x'd in 2 months

The initial catalyst was narratives around WAVES being the 'Russian Ethereum'

Despite 0 KPI traction ---- it has massively outperformed ETH

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WAVES needs to grow market cap so it can issue more USDN

The health of the ecosystem is defined as WAVES  
 $\text{Mkt Cap} / \text{USDN}$

This ratio shows us how much more USDN can be issued

We have seen USDN supply shrink once backing hits 2.5x --- this is the minimum target

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Because of the price pump WAVES has created  
USDN issuance capacity

Assuming a 2.5x target --- WAVES can issue  
\$1,380mm more USDN

USDN yields at this target will be 5.4% vs USDC/T  
supply rates on AAVE at 3.5%

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We have recently see USDN minted at the fastest rate  
in history

Over the last 4 weeks --- USDN has gone from  
\$475mm to \$875mm --- 85% increase while DAI has  
gone down

Why would anyone want to hold USDN?

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USDN is backed by WAVES

WAVES has a native staking rate of 3.13%

USDN yields = WAVES native staking rate (x) backing ratio

Right now USDN yields are  $3.31\% \times 6.60x = 21.8\%$

But as more USDN is issued --- yields will drop

To keep the train on tracks there needs to be continuous growth in WAVES market cap

Once backing starts to drop --- USDN yields will drop

At 6.60x backing yields are 21.8%

At 2.5x --- yields are 5.4%

Capital flight is a risk at lower yields

I will walk you through how the WAVES team is folding leverage to engineering a massive supply squeeze

Here is the flow

- Deposit USDN on Vires
- Borrow USDC on Vires
- Transfer USDC to Binance
- Buy WAVES with USDC
- Convert WAVES to USDN
- Start over

This is trackable onchain

Vires is the AAVE equivalent on the WAVES protocol

It holds  $\$607\text{mm} / \$875\text{mm} = 70\%$  of all USDN on its platform

It also allows for USDC / USDT borrow and lending

Current USDC supply rates are 30%

This is the largest yield vs any other money market protocol

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USDC/USDT borrowing has gone bonkers over the last 2 months

Borrowing rates exceed anything anyone else is paying on any other chain

Who is borrowing and why?

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WAVES has been borrowing USDC/T against USDN

WAVES send USDC/T to Binance and buy WAVES

Then transfer WAVES to their wallet and mint more USDN

Supply USDN on to be able to borrow more USDC/T

Cycle repeats

<http://Vires.Finance>



WAVES must attract USDC/T to VIREs to borrow against newly minted USDN

Nobody else will lend against USDN

Therefore WAVES must offer above market prices to incentivize USDC/T into the platform

No hard currency access = no leveraging

WAVES has 100mm of supply

85% of it is staked

That leaves us with 16mm of 'tradeable' WAVES

Exchanges need working capital & some holders won't sell

Let's assume that's 30% which = 10.5mm

It's easy to manipulate your mkt cap when there's 10.5% of tradeable supply

WAVES can issue \$1,380mm more USDN before it breaches target backing

\$1,380mm is chasing 10.5mm of non-staked supply

That means WAVES can pay \$131.43/token

The WAVES ponzi will grow before it shrinks

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But for this to work you need muppets to deposit USDC into Vires

Nobody will USDN --- that's why WAVES deposits USDN to borrow USDC

Therefore WAVES is capped by the USDC supply pool

I think its reasonable that this wont be that much of an issue

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USDN issuance will eventually taper out once USDN reaches its target backing

Once its reached --- there is no more programmatic WAVES buying

Velocity dies

If WAVES prices drop enough ---- WAVES mkt cap could be less than USDN outstanding

This would mean USDN is insolvent and would depeg

If USDN depegs is material --- the USDC short on Vires could liquidate \$607mm of the \$875mm outstanding USDN

This would be Armageddon

I call the platform ponzi because it is being propped up by borrowed money

There is no organic activity

Just look at the transaction count over time

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Every 2 days at 10-12pm est

WAVES

- Issues USDN
- Borrows USDC
- Buys WAVES and creates a price spike

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This high volume / price action is baiting day traders into momentum longs w/ tight stops

Korean exchanges are consistently the highest traded place for WAVES

The ponzi keeps going

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What's the net

- WAVES has no traction
- WAVES prices were initially pumped on a Russian ETH narrative
- WAVES Team took advantage of the pump to issue USDN and borrow USDC against it
- The Team has been recklessly pumping WAVES on borrowed money

@lightcrypto  
@adamscochran  
@Murfski\_  
@BitBitCrypto  
@ErenCaner  
@Tetranode  
@zhusu  
@blknoiz06  
@JackNiewold  
@milesdeutscher  
@Rewkang  
@RyanBerckmans  
@CryptoTony\_\_\_  
@cdixon  
@knowerofmarkets  
@lazyvillager1  
@mhonkasalo  
@Native\_0x  
@Arthur\_0x  
@mrjasonchoi  
@RyanWatkins\_

I've been asked to share the blockchain entries by multiple people

See below

Borrow USDC/T

<https://wavesexplorer.com/tx/32Ng2T4URX5GsZszGwq5nwFFtjB3NtFotDEJPfeyzYV8> <https://wavesexplorer.com/tx/5A9PKtnvf2w6WdEWTfuNE1Waq6J8gwpEXGntAX7ZTqjJ>

Move USDC/T to Ethereum

<https://etherscan.io/tx/0xffff2bf6dd9ad3a222450bf211b6e8c30ca5cafe9361da74eeb5a52d6934cb7a4> <https://etherscan.io/tx/0xcdef9b1dab2cb20c787194763b7aed79e24a88ea0629c30d581e858f0d53e2f4>

Transfer to Binance and buy WAVES

No way to track this

Transfer WAVES from Binance to Native WAVES  
wallet

<https://wavesexplorer.com/tx/2GxRVurxUjUogb3aquzTbtNESdJkoucTYsKsy96D9vhH>

Print USDN

<https://wavesexplorer.com/tx/8soLgy8838tJUncVWmARqe7Hm3rxsmTiZCQSZrvApxLH>

Supply USDN

<https://wavesexplorer.com/address/3PJKKT7gsWiPBJj11gkF3Xv7gKt8s2WPdTr/tx>

hat tip to @whistletheblow



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